

2012 Kansas Statutes

40-4504. Contracts between reinsurance brokers and insurers; written authorization required, contents. Transactions between a reinsurance broker and the insurer it represents in such capacity shall only be entered into pursuant to a written authorization, specifying the responsibilities of each party. The authorization shall, at a minimum, provide that:

- (a) The insurer may terminate the reinsurance broker's authority at any time;
- (b) the reinsurance broker shall render accounts to the insurer accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees received by, or owing, to the reinsurance broker, and remit all funds due to the insurer within 30 days of receipt;
- (c) all funds collected for the insurer's account shall be held by the reinsurance broker in a fiduciary capacity in a bank which is a qualified United States financial institution as defined herein;
- (d) the reinsurance broker shall comply with K.S.A. 40-4505;
- (e) the reinsurance broker shall comply with the written standards established by the insurer for the cession or retrocession of all risks; and
- (f) the reinsurance broker shall disclose to the insurer any relationship with any reinsurer to which business will be ceded or retroceded.

History: L. 1992, ch. 15, § 4; Dec. 31.